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Cantor Statement on FASB's Proposed Rule to Force Employers to Expense Stock Options

Washington, DC— Congressman Eric Cantor (VA-07) released the following statement today after a press conference with Rep. David Dreier (R-CA) and Rep. Richard Baker (R-LA), the leading sponsors of legislation to stop FASB's action:

“This proposed rule takes away an essential tool that both small and large businesses use to reward their employees' hard work and innovation. Stock options also give rank-and-file employees ownership of their company.

“Offering stock options gives cutting-edge companies an advantage in recruiting the best talent. We should not take this away from employers when they are competing for the best workers.

“The timing of this proposed rule is not prudent while we are focusing on making America more competitive and creating more jobs. Forcing developing businesses to expense the options they may or may not now grant employees is anti-competitive and not conducive to creating jobs.

“The High-Tech industry, which has been a major force behind our economy, will be hit hard if this proposal becomes final. This will hinder the development of new innovations.

“It's important to realize that stock options were not the cause of the recent corporate governance scandals – it was criminal behavior that was the problem. It is unfortunate that FASB has proposed this rule under a disguise of corporate responsibility.

“By proposing this rule, FASB will punish and restrict the innovations of tomorrow and the American workers' access to the valuable resource of stock options.”

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Congressman Eric Cantor is Chief Majority Deputy Whip and is the Chairman of the House Taskforce on Terrorism and Unconventional Warfare.